



LEGISLATIVE FISCAL OFFICE
Streamlining Commission Analysis

Recommendation No. **RECOMMENDATION 39**
Streamlining Draft **AGMARTIN 21**

Date: February 22, 2010 2:36 PM	Author:
Dept./Agy.: Public Safety Motor Vehicles	Analyst: Evelyn McWilliams
Subject: Out-sourcing the centralized call center	

Public Safety Services consider out-sourcing the centralized call center to a location in Louisiana.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	(\$257,576)	(\$257,576)	(\$257,576)	(\$257,576)	(\$257,576)	(\$1,287,880)
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	(\$257,576)	(\$257,576)	(\$257,576)	(\$257,576)	(\$257,576)	(\$1,287,880)

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

An estimated \$257,576 in net savings could be realized in FY11 for the Motor Vehicles Technology Fund by out-sourcing the agency’s call center at an estimated cost of \$2.15 M. Motor Vehicles currently has \$2,407,576 and 32 filled positions budgeted for its call center operations. Implementation of this recommendation would necessitate the layoff of these individuals. Because of the knowledge required by customer service representatives answering hotline calls, it is anticipated that some of the incumbents in the existing positions will be offered employment with the vendor awarded the Motor Vehicle call center contract. The estimated FY11 savings is based on a pricing of \$0.75 per interactive voice response call and \$2.50 per estimated customer service representative call, and would result in an estimated FY11 cost of \$2.1 million to out-source Office of Motor Vehicles’ estimated 200,000 interactive voice response calls and 800,000 customer service representative calls. This is a preliminary estimate from the vendor awarded the Department of Social Service’s call center contract. The LFO cannot determine the extent that state costs or contracted out-source costs might increase in future fiscal years, therefore no assumption is made as to inflation or increases in these contract costs.

Vendor call center solutions include fully programmable interactive voice response systems which are available 24/7, providing extensive self-service capabilities for customers with little or no need for customer service representative intervention. Call center operations use sophisticated call routing and monitoring systems to reduce wait times, minimize abandoned calls, and ensure quality service.

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REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	H. Gordon Monk Legislative Fiscal Officer



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CONTINUED EXPLANATION from page one: Page 2 of 2

The savings reflected in this fiscal note pertain only to the Office of Motor Vehicles and does not include any other Public Safety agencies. The projected savings do not include expenses related to the State Police hazardous material hotline. No significant savings is anticipated to occur as a result of the out-sourcing of the State Police hazardous materials 24-hour hotline. State Police does not have specific expenditures allocated for operation of its hotline. State Police utilizes a rotating staff with other ongoing duties to answer hotline calls. From 6 a.m. until 6 p.m. calls to the state police hotline are answered by noncommissioned personnel at State Police headquarters. After 5 p.m. calls to the hotline are automatically routed to the troop headquarters. State Police does not track the number of calls received through its hotline. In FY09, there were 7,008 hazardous material incidents reported to State Police.